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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001744

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E.O. 12958: DECL: 05/19/2031
TAGS: [PINR](#) [ECON](#) [PREL](#) [PGOV](#) [TW](#)
SUBJECT: KMT LEGISLATORS DEFEND OPPOSITION TO DEFENSE
PROCUREMENT

REF: TAIPEI 1644

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Classified By: AIT DIRECTOR STEPHEN M. YOUNG FOR REASONS 1.5 (b), (d)

¶1. (C) Summary: KMT legislators debated each other and sheepishly defended their opposition to the stalled defense procurement legislation during a May 18 meeting with the Director. There was a strong difference of views on the upcoming Economic Sustainable Development Conference (ESDC) between those planning to boycott it as a meaningless public relations exercise, and those who believed an opposition party has a responsibility to present alternative views. End Summary.

¶2. (C) AIT Director Young hosted a lunch on May 18 for KMT Legislators (Ms.) Hsu Shao-ping, Co-convener Health Environment and Social Committee; Shyu Jong-shyung, Co-convener Judicial Committee; Tsai Cheng-yuan, Finance Committee; (Ms.) Lu Shiow-yen, Education and Culture Committee.

No Defense the Best Defense

¶3. (C) All four legislators opposed the stalled arms procurement bill, but each gave different reasons for not supporting it. Tsai indicated that no defense was possible against such a well-armed and powerful adversary as the PRC and it was futile to try. Lu said that there were better ways to spend the money that might be more effective as a deterrent against PRC aggression. Shyu pointed out that the collapse of the Soviet Union was due to excessive defense spending. However, the legislators offered these reasons in a defensive manner which left the impression that even they did not find them convincing. Later, Legislator Shyu admitted the main reason that KMT legislators had repeatedly opposed the bill was simply to block a ruling party initiative.

Economic Sustainable Development Conference

¶4. (C) Two of the four legislators said they would attend the June 18-19 Economic Sustainable Development Conference (ESDC, see reftel) and two said they would not attend.

Legislator Tsai told the Director that he would definitely not attend because the DPP has conducted this type of conference in the past without any useful results. He charged it was all a political show without substance. Hsu said the KMT caucus had discussed the ESDC earlier in the day and more KMT legislators had opposed it than supported it. However, Shyu and Lu thought the conference was a good idea and that the opposition party had a duty to voice its point of view at the conference. Tsai quipped that everyone already knew what needed to be done: improve cross-Strait ties.

Direct Cross-Strait Navigation Bill

15. (C) The four KMT legislators had different views on the direct cross-Strait navigation bill now pending in the Legislative Yuan (LY). Tsai thought the KMT should use its majority in the LY to force passage of the bill. Shyu was against the bill because direct links would threaten the survival of Taiwan's small and medium enterprises (SMEs), which are a major source of employment in Taiwan. Shyu said that SMEs account for 80% of employment opportunities although they contribute only 10% to GNP. Lu said that even if the bill passes the LY, the Executive Yuan (EY) could chose to ignore it. None of the four believed KMT Chairman Ma was capable of imposing discipline on KMT LY members.

Mayor Ma Too Pro-Independence

16. (C) Lu also said that many PRC officials have expressed concern to KMT legislators that KMT Chairman Ma Ying-jeou is too "pro-independence." These PRC officials noted Ma's criticism of the PRC handling of the Falungong and other human rights issues, and had asked the KMT legislators if Ma

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were a "closet" independence supporter. The point, Lu explained, was that Ma should not be viewed as a puppet of the PRC. Shyu added that no matter who was elected in 2008, from whatever party, the United States did not need to worry about them "selling out" Taiwan to the PRC; it was inconceivable that any elected Taiwan president would willingly give up Taiwan's political autonomy.

Government Structural Reform

17. (C) All four of the legislators said they believed that the Taiwan government is moving towards a parliamentary system wherein the executive branch would be led by the LY (although they noted KMT Chair Ma opposes this change). When asked about Ma's ability to lead the KMT they responded that Ma must learn to listen to them. They believed that the DPP's efforts to change the constitution will fail, and that the KMT will win a landslide victory in the upcoming legislative election in late 2007.

Cross-Strait Educational Exchanges

18. (C) Legislator Lu noted that on the morning of May 18, the LY Education Committee had voted on two education bills she had sponsored. The committee had voted down her proposal to recognize diplomas from PRC schools, but had passed her proposal to permit Taiwan schools to admit PRC students. She said that Taiwan's Education Ministry and most DPP legislatures supported the second bill, which could help Taiwan address its surplus of educational facilities and promote democratic thinking among PRC students. However, she admitted, the chances of the PRC permitting its students to study in Taiwan were slight.

Chiropractic Services

¶9. (C) Legislators Hsu and Shyu have both been promoting a law to regulate chiropractic services in Taiwan. Hsu requested more information about the U.S. regulations governing these services. AIT has provided Hsu and Shyu with information on the U.S. position on this issue.

¶10. (C) Comment: Though we billed the lunch as a discussion of economic issues, the LY members came prepared to discuss political topics. This is par for the course as all conversations on economic policy quickly lead to discussions of the political aspects. End comment.
YOUNG